

## OVERVIEW OF ACCOUNTING

### 1. Importance of Accounting Codes.

- a. Units must use correct accounting codes to ensure proper accounting of public funds. Accounting code data is the foundation for the Coast Guard's financial management reporting systems.
- b. Accounting codes should appear on all obligation documents generated by the unit. It serves as the basis for the entry on the unit target ledger.

### 2. Unit Accounting Procedures.

- a. Maintain a target unit ledger for each Program Element assigned.
- b. Do not spend beyond that monetary target unless properly authorized.
- c. Follow procedures necessary to maintain separation of procurement authorization, fund certification, account reconciliation and system management/LUFS administration functions.
- d. Maintain a valid LUFS Standard Workstation system or local ledger system. Follow FINCEN and other published guidelines for safeguarding accounting data. Enter transactions which are initiated by other units citing your unit's accounting data. Also, provide hard copy documentation to another unit when citing that unit's accounting data.
- e. Reconcile local Program Element records with the weekly Program Element Status (PES) Report provided by the FINCEN. Correct all errors, resolve discrepancies, and update the local ledger.
- f. As outlined in Chapter 6, paragraph 6 notify the FINCEN of discrepancies between the PES Report and your unit ledger. The FINCEN considers the PES report correct until a unit identifies an error.
- g. Consult local accounting records to determine whether funds are available to cover planned procurements. Post commitments and obligations in local records as they occur.
- h. Submit commitment transactions over \$25K in value, in either electronic or paper format, directly to the FINCEN for posting in DAFIS.
- i. Submit hard copies of receiving reports to the Procurement site.

2. j. Forward appropriate information and/or documentation on procurements to the FINCEN as described in Chapter 12.
- k. Maintain accurate records of document numbers to avoid using duplicate numbers. It is better to skip a number if there is any uncertainty.
- l. Maintain proper accounting records.
- m. Seek help from the financial personnel in your chain of command, where appropriate.
- n. Certify sufficient funds are available.

**3. District/MLC/Area Accounting Procedures.**

- a. Issue Program Elements to the units.
- b. Issue Fund Codes to the units for ARMS requisitions and other MILSTRIP transactions.
- c. Maintain Program Element and Fund Code Tables. Contact the FINCEN (SM) e-mail [AcctTables@Fincen.USCG.Mil](mailto:AcctTables@Fincen.USCG.Mil) for Program Elements or (SM) e-mail [FundCode@Fincen.USCG.Mil](mailto:FundCode@Fincen.USCG.Mil) for Fund Codes
- d. Execute major procurement actions beyond unit authority.
- e. Handle fund transfers.
- f. Develop and monitor unit budgets.
- g. Provide financial advice to field commands.

**4. Procurement Site Accounting Procedures.**

- a. Transmit obligation data to FINCEN by appropriate electronic means in a timely fashion. Provide FINCEN with electronic or hard copies of the contract instrument. For more information, see Chapter 12.
- b. When directed, enter and transmit receiving report information for serviced units from LUFS system to the FINCEN. For more information on frequency and method of transmissions, see Chapter 12.